

Income Tax Preparation Services

THIS PAMPHLET contains basic information on this particular legal topic for your general information. If you have specific questions, contact the Legal Assistance Office.



Legal Assistance Office Client Services Division

Office of the Staff Judge Advocate
USAACE & Fort Rucker
Building 5700, Suite 320, Novosel Street
Fort Rucker, AL 36362-5105
334-255-3482





Income Tax Preparation Services

Introduction

Income Tax law is complex, and errors could result in financial penalties and criminal charges. For these reasons, many Americans correctly consider getting help from an Income Tax preparation service to assist prepare their tax return. These services, however, may vary greatly in accuracy and cost. The following information should help you decide whether you need a tax preparer and, if so, how to select the one that best suits your needs.

Self-Preparation

If you do not want to use the Army Tax Assistance Program, or if your tax situation is too complex for the Army's services, with a little help from the IRS, you may be able competently file your own taxes. Of course, the more complex your taxes are, the more necessary it may be to pay a professional to complete your tax return.

If you have questions about how to complete your return, you may be able to get answers by using the IRS free informational resources, available at <http://apps.irs.gov/app/understandingTaxes/index.jsp>. If you remain unsure about how to do your taxes, the following information may help you choose the best tax preparer.

Legal Assistance Office Tax Assistance Center

As a benefit of you or your spouse's military service, the Army generally provides free Income Tax preparation assistance. The Army Tax Assistance Program is designed to provide trained assistance for Soldiers in the preparation of their Income Taxes. Under this program, attorney and paralegal members of the Judge Advocate General's Corps receive special training from the Internal Revenue Service (IRS) and the Army. These experts then prepare returns for thousands of Soldiers, even those with complicated tax issues. Under this program, Soldiers are saved countless dollars that otherwise would have been spent in fees to commercial tax preparers. Often, these experts are better trained at military-specific tax issues than most commercial tax preparers, therefore maximizing your tax return.

Commercial Preparers

Preparers differ greatly in education and training.

a. An **Enrolled Agent** is certified by the IRS after working five years as an IRS auditor or after passing a government exam. Enrolled agents are authorized to represent you before the IRS.

b. A **Certified Public Accountant (CPA)** has passed a professional qualifying examination. CPAs are also authorized to represent you before the IRS.



- c. A **Public Accountant** may have special accounting training, but lacks tax certification and cannot represent you before the IRS.
- d. An **Attorney** has passed a state bar examination but may or may not have special tax training. Attorneys are authorized to represent you before the IRS.
- e. Any other individual described as a **"Tax Preparer"** may or may not have special training or experience. Some preparation firms require that their staffs have extensive training and experience, while others have less rigorous requirements.

Choosing a Preparer

The more complex your tax situation, the more you may want the advice of someone with specialized experience. However, you will generally pay more for these professional services. Many taxpayers, such as Retirees, owners of small businesses, professionals, and people with large amounts of income from non-wage sources may especially benefit from using a preparer with specific experience in their area. To find the preparer that best suits your needs, call several and ask the following questions:

- a. What is your training or experience in preparing tax returns?
- b. How do you check for accuracy? Will someone else double-check my return? If so, will it be reviewed for arithmetic errors only or also for errors in tax-law interpretation?
- c. Approximately how much will preparing my taxes cost? How is that fee determined?
- d. Where can you be reached later in the year if I need help with an audit?
- e. Can you represent me if the IRS audits my return? What will you charge?

What to expect

When you visit the preparer, expect certain practices. A preparer should go through a checklist of deductions to see if any apply to you. A preparer should also sign your return and enter his or her name and social security number (or federal tax identification number).

A preparer should not guarantee your refund before completing your return or suggest that you take non-existent deductions or commit other improprieties. A preparer should not ask you to sign a blank return or one completed in pencil.

Even with a preparer, you are responsible for your return

Even though you have hired someone to prepare your returns, you are personally liable for any additional tax, interest, or penalty, even if you have a written guarantee that the preparer will pay any interest or penalty assessed as a result of his or her work.

Here are some ways to help you get the best possible work done for your return:



a. Read your tax booklet or the more comprehensive IRS publication “Your Federal Income Tax” (Publication 17). It is available free from the IRS online at <https://www.irs.gov/pub/irs-pdf/p17.pdf>.

b. Gather and bring to the preparer any information or documents that might apply to your taxes including your last year’s return. Remember, too much information is better than too little information.

c. Make a list of any tax-related questions you have and ask the preparer about them.

d. After your return is prepared, check it to make sure all the information is correct.

e. You will have an advantage if you complete your tax return early. The earlier in the filing season you get your taxes prepared, the more time busy tax preparers will have to do a thorough job for you.

f. Wait to prepare your taxes until you have all tax documents from all of your sources. Remember to gather all wage documents, savings or investment account income documents, student loan interest documents, any documents that relate to earned income, professional fees, taxes paid, and any other documents that relate to taxes. Unfortunately, some institutions and employers do not send out these forms until February, but you need all of these forms before you file your tax return. If you file your return without them, you will need to amend your tax return, which will cost money.

If you have any questions about the Army Tax Assistance Program or about a tax matter, contact your Legal Assistance Office at (334) 255-2273



Have a general question Ask it on Facebook!

www.facebook.com/RuckerLAO

Like our page for frequent legal updates!

Remember, the appearance of external links or references to outside sources in this pamphlet does not constitute official endorsement on behalf of the U.S. Army of the Department of Defense. Additionally, information on the Internet may not be current when you view it. Be sure to check with a licensed attorney to discuss your specific circumstances. This general legal information is available to help you understand general issues, but is not a substitute for personal legal advice from a licensed attorney. Contact your legal assistance office if you have additional questions or desire more information.